

Message Text

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INFO OCT-01 EUR-25 IO-13 ADP-00 H-03 PRS-01 PM-07 NSC-10

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TO AMEMBASSY NEW DELHI IMMEDIATE

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UNCLAS STATE 139053

E.O.11652: N/A

TAGS: PFOR

SUBJECT: DEPARTMENT PRESS BRIEFING

FOR YOUR INFORMATION AND GUIDANCE FOLLOWING IS PARTIAL
EXCERPT FROM DEPARTMENT SPOKESMAN'S PRESS BRIEFING JULY 16,
1973:

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QUOTE: Q. DOES AMBASSADOR MOYNIHAN PLAN TO TELL THE
INDIAN PRIME MINISTER THAT THE AID PROGRAM IS NOW OVER?

A. WELL, IF YOU ARE REFERRING TO THE SAME STORIES THAT I

HAVE READ THIS MORNING, THERE ARE SEVERAL DIFFERENT ASPECTS TO IT:

THE FIRST, CONCERNS THE QUESTION OF OUR AID DEVELOPMENT RELATIONSHIP WITHIN INDIA. I CAN SAY THAT WE ARE DISCUSSING WITH INDIA A NUMBER OF TOPICS AS POSSIBLE ELEMENTS OF FUTURE INDIAN-U.S. COOPERATIVE RELATIONSHIPS.

ONE OF THESE TOPICS IS THE QUESTION OF FUTURE U.S. DEVELOPMENTAL ASSISTANCE ON WHICH NO FINAL DECISIONS HAVE BEEN TAKEN.

WE'LL ALSO BE LOOKING AND DISCUSSING THE RUPEE QUESTION.

AND AS A GENERAL REMARK, I WOULD SAY THAT THIS IS ALL PART OF A CONCRETE DIALOG BETWEEN OURSELVES AND INDIA LOOKING TOWARDS AN OVERALL RELATIONSHIP BASED ON MUTUAL RESPECT AND UNDERSTANDING.

Q. WHAT ABOUT THE AID PROGRAM NOW, IS THAT ENDED?

A. WELL, WITH RESPECT TO THE AID PROGRAM, I UNDERSTAND THAT INDIA STOPPED TITLE I PROGRAMS, BUT TITLE II PROGRAMS, WHICH ARE ESSENTIALLY FOOD GRAINS DISTRIBUTED BY U.S. VOLUNTARY AGENCIES, HAVE CONTINUED, AND ARE AMOUNTING TO 53 MILLION DOLLARS IN FISCAL YEAR 1973.

Q. AND WHAT ABOUT THEM?

A. THAT'S CONTINUING -- THOSE TITLE II PROGRAMS ARE CONTINUING.

Q. LET'S GO BACK TO THE DEVELOPMENTAL ASPECT WHICH SEEMS TO BE THE CRUX OF THE SITUATION. ARE THESE DISCUSSIONS LOOKING TOWARD -- YOU INDICATE THAT THESE DISCUSSIONS DO UNCLASSIFIED

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LOOK TOWARD SOME FUTURE DEVELOPMENTAL AID EVEN THOUGH THE SPECIFICS HAVEN'T BEEN WORKED OUT. IS THAT THE IMPRESSION YOU ARE TRYING TO GIVE?

A. YES, POSSIBLE FUTURE U.S. DEVELOPMENTAL AID.

Q. IN OTHER WORDS, THEN THERE HAS BEEN NO DECISION, TACIT OR OTHERWISE, BY EITHER THE GOVERNMENT OF INDIA OR THE GOVERNMENT OF THE U.S. THAT THERE WILL NOT BE ANY FUTURE DEVELOPMENTAL AID -- IS THAT WHAT YOU'RE GETTING AT?

A. THAT'S RIGHT.

ALSO IN THAT RESPECT I WOULD MENTION -- I AM NOT

GOING TO GET INTO THE SPECIFICS OF THIS, BUT AT THE TIME OF THE -- I BELIEVE IN APRIL OF THIS YEAR, WE UNBLOCKED 87 MILLION DOLLARS OF AID.

Q. I AM NOT CLEAR ON YOUR RESPONSE TO JIM'S QUESTION. ARE YOU SAYING IN EFFECT THAT FUTURE PROGRAMS -- FUTURE AID PROGRAMS WILL CONTINUE BUT THAT AS AT PRESENT THERE IS NO THOUGHT TO DISCONTINUING AID?

A. I'M GOING TO STAND EXACTLY WHERE I STOOD IN THE FIRST INSTANCE, AND THAT IS THAT THE QUESTION OF POSSIBLE FUTURE DEVELOPMENT ASSISTANCE IS BEING DISCUSSED BUT NO FINAL DECISIONS HAVE BEEN MADE.

Q. COULD YOU CLARIFY SOMETHING FOR SOME OF US WHO HAVE NOT BEEN FOLLOWING THIS VERY MUCH?

IT SAYS THAT IT IS BEING ENDED "AT INDIA'S INSISTANCE." COULD YOU AMPLIFY ON WHAT THAT MEANS? DID INDIA ASK US TO END OUR DEVELOPMENT AID, OR TECHNICAL ASSISTANCE PROGRAMS?

AND IF SO, WHEN?

A. I'LL JUST HAVE TO TAKE THAT QUESTION, MY HISTORICAL MEMORY IS NOT CLEAR THERE.

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Q. THE U.S. ENDED DEVELOPMENTAL AID TO INDIA AT THE TIME OF THE INDIA-PAKISTAN WAR, AS I UNDERSTAND IT, AND AT THAT TIME THIS 87 MILLION DOLLARS --

A. WAS FROZEN, YES.

Q. AND THAT HAS BEEN UNBLOCKED.

A. YES, THAT IS UNBLOCKED AND IT'S NOW BEING COMMITTED.

Q. AND HAS ANY NEW DEVELOPMENT AID BEEN AUTHORIZED SINCE THAT ACTION WAS TAKEN?

A. NO, THAT'S THE EXTENT OF IT.

Q. AND THE FISCAL YEAR OF 1973, WAS THERE ANY DEVELOPMENT AID?

A. I BELIEVE THE ONLY AMOUNTS THAT YOU CAN TALK ABOUT WITH ANY DEGREE OF AUTHORITY, IS THE 87 MILLION DOLLARS.

Q. WAS THERE ANY REQUESTED IN THE NEXT BUDGET?

A. I DON'T KNOW. I'LL FIND OUT.

Q. SPEAKING ABOUT INDIA, WAS THERE ANY FORMAL OR INFORMAL REPRESENTATION FROM INDIA BECAUSE OF YOUR ARMS TO IRAN?

A. I'LL FIND OUT FOR YOU.

Q. IS IT CORRECT THAT THE U.S. HAS TURNED OVER BUILDINGS WHICH HOUSED THE U.S. AID EFFORT IN INDIA, TO THE INDIAN GOVERNMENT?

A. YES. THEY ARE BEING TURNED OVER TO THE GOVERNMENT OF INDIA.

Q. HOW MANY?
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A. "A COMPLEX OF BUILDINGS."

Q. WHY ARE WE DOING THIS?

A. BECAUSE WE NO LONGER NEED THEM.

Q. DOES THAT MEAN THERE WILL NO LONGER BE AN AID PROGRAM?

A. NO.

Q. WELL THAT DOESN'T FIT, DOES IT, OR FOLLOW? I MEAN, YOU SAY THAT WE ARE STILL CONSIDERING FUTURE AID PROGRAMS CONCERNING A STORY WHICH SAYS THERE ARE GOING TO BE NO MORE PROGRAMS, AND THAT THEY ARE GOING TO TURN OVER THE BUILDINGS BECAUSE THEY DON'T NEED THEM ANYMORE.

NOW, THEY DON'T NEED THE BUILDINGS ANYMORE, BUT THEY MAY CONTINUE THE AID PROGRAM, IS THAT WHAT I'M TO UNDERSTAND?

OR ARE YOU VINDICATING "THE WASHINGTON POST?"

A. AT THE PRESENT TIME -- LET ME PUT IT THIS WAY -- AT THE PRESENT TIME THERE ARE TWELVE AID EMPLOYEES IN INDIA. THERE ARE THESE CONTINUING PROGRAMS, TITLE II AND ALSO THE 87 MILLION DOLLARS.

THERE ARE ADEQUATE FACILITIES ELSEWHERE FOR THESE TWELVE AID EMPLOYEES, AND WE JUST DIDN'T NEED THE COMPLEX OF BUILDINGS THAT HAD BEEN BUILT EARLIER AND THAT, IS THE SITUATION AT THE PRESENT TIME.

Q. ARE THE BUILDINGS IN QUESTION WHICH ARE BEING TURNED OVER TO THE GOVERNMENT OF INDIA, THE ONLY AID OFFICE

BUILDINGS IN NEW DELHI, OR ARE THERE OTHERS -- OR IS THERE "ANOTHER?"

IT IS MY IMPRESSION FROM THE STORY THAT THIS BUILDING IS PRIMARILY RESIDENTIAL.

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A. YES, I DON'T THINK IT'S PROBABLY THE "ONLY" BUILDING -- OR THAT "ALL" OF OUR BUILDINGS --

Q. THERE WAS A LARGE AID OFFICE BUILDING DIRECTLY BEHIND THE U.S. EMBASSY. I DON'T KNOW WHAT'S HAPPENED TO IT SINCE '69.

Q. IS THAT "ALL OUR AID BUILDINGS?"

A. NO, I'M NOT SAYING THAT ALL OUR AID BUILDINGS ARE BEING TURNED OVER.

Q. WHEN THESE WERE TURNED OVER, IS THIS CONSIDERED A GRANT, OR IS IT A SALE, OR HOW DOES IT WORK?

A. IN ACCORDANCE WITH THE AGREEMENT THAT WE HAVE.

Q. AND WHAT IS THE VALUE OF THE PROPERTY?

A. I'LL GET THAT ANSWER FOR YOU.

Q. WELL, WHAT IS THE "AGREEMENT" THAT THEY BE TURNED OVER?

A. THAT THE FACILITIES BE TURNED BACK TO THE HOST GOVERNMENT WHEN AID NO LONGER NEEDS THEM.

Q. CAN YOU GET ANSWERS TO A COUPLE OF QUESTIONS? THESE FACILITIES WERE FINISHED TWO YEARS AGO.

CAN YOU TELL US THE SIZE OF OUR AID PRESENCE IN INDIA AT THAT TIME?

AND CAN YOU GET PROJECTIONS OF WHAT WAS ANTICIPATED OR --

AND CAN YOU TELL US WHY THESE WERE BUILT AT THE TIME? OBVIOUSLY, THEY DIDN'T EXPECT TO GET RID OF THEM IN TWO YEARS, I WOULD ASSUME.

A. YES. PLANS SOMETIMES CHANGE, AND I'M SURE THAT WAS UNCLASSIFIED

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THE CASE IN THIS INSTANCE.

Q. WELL, CAN YOU FIND OUT WHY?

A. BUT LET ME TAKE THOSE QUESTIONS.

Q. ON ANOTHER PROBLEM: THAT IS THE DISCUSSIONS ON THE RUPEE SETTLEMENT.

A. YES.

Q. WHAT IS THE POSITION OF THE U.S. GOVERNMENT NOW ON RUPEES?

A. WELL, I CAN'T SAY SPECIFICALLY, SINCE WE ARE GOING TO ENTER INTO TALKS WITH THE INDIANS, ABOUT THIS SUBJECT -- LET ME GIVE YOU THE OVERALL ISSUE:

OVER THE YEARS, AS YOU KNOW, WE HAVE CREATED A SUBSTANTIAL HOLDING OF RUPEES. UNDER THE AGREEMENTS, THESE RUPEES LARGELY WERE LIMITED TO COVERING OUR EXPENSES IN INDIA, OR FOR RELENDING PURPOSES FOR INDIAN DEVELOPMENT.

OUR CURRENT HOLDINGS ARE 840 MILLION DOLLARS IN RUPEE EQUIVALENT -- AND WILL GROW, BECAUSE OF BOTH UNDERSTANDING PRINCIPAL AND INTEREST.

BUT THAT'S THE PROBLEM AND THAT'S THE PROBLEM THAT'S GOING TO BE ADDRESSED WITH THE INDIAN AUTHORITIES VERY SHORTLY.

Q. GOING BACK TO THIS BUILDING, OR THE BUILDING IN THIS COMPLEX THAT IS BEING TURNED OVER TO THE INDIANS -- WHEN YOU GET US A COST FIGURE, WOULD YOU HAVE IT BROKEN DOWN IN TERMS OF RUPEES THAT WERE TAKEN OUT OF THAT BLOCKED ACCOUNT, AND HOW MUCH OF IT WAS PAID FOR IN DOLLARS OR OTHER NON-INDIAN CURRENCY?

A. I CAN TRY.
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Q. WELL I THINK THIS IS GOING TO BE RELEVANT BECAUSE THE DESCRIPTION OF THE BUILDINGS -- I'M NOT FAMILIAR WITH IT FROM THE STORY, BUT IT CERTAINLY SOUNDS AS IF AN AWFUL LOT OF IMPORTED EQUIPMENT WAS PUT IN THAT BUILDING; AND IT WOULD BE IMPORTANT FOR US TO KNOW HOW MUCH OF IT WAS IN BLOCKED RUPEES WHICH ARE, IN A SENSE, PAPER MONEY -- AND HOW MUCH OF IT WAS IN HARD CURRENCY FOR IMPORTED EQUIPMENT.

A. YES.

Q. GOING BACK TO THE RUPEES AGAIN, IS IT FAIR TO SAY THAT AMBASSADOR MOYNIHAN HAS BEEN GIVEN INSTRUCTIONS ON BEGINNING NEGOTIATIONS WITH THE INDIAN GOVERNMENT ON THIS?

A. YES, IT WOULD BE FAIR.

Q. HOW SOON WILL THEY BEGIN?

A. VERY SHORTLY.

Q. ARE WE RESUMING THESE BILATERAL MINISTERIAL MEETINGS THAT WE USED TO HAVE? IS THAT HOW THIS IS GOING TO COME ABOUT?

A. NO, NO, THAT'S NOT MY UNDERSTANDING OF IT.

MY UNDERSTANDING IS THAT IT WILL BE DONE IN NEW DELHI THROUGH OUR DIPLOMATIC REPRESENTATIVES THERE.

Q. IS THE SHAH'S VISIT STILL ON? IS HE COMING?

A. I'M NOT SURE IF THE WHITE HOUSE HAS ANSWERED THAT, BUT I THINK THEY INDICATED THERE WAS NO CHANGE.

Q. THE WHITE HOUSE SAID, "ALL THE OTHER MEETINGS ARE STILL ON."

RUSH

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